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[] 2668-66
Copy 7
23 September 1966

MEMORANDUM FOR: Chief, Contracts Management Division, OSA

SUBJECT: Contract No. MW-1443, Hughes Aircraft Corporation

1. A recent review of the subject contract by this office has disclosed that Task 2E-1 (Big D) and Task 3E-1 (Sub-system Integration) are studies related to development and that these tasks are being monitored by ASD/OEL.

2. While the exact cost of these tasks cannot be determined from the vouchers submitted by the Contractor; we estimate that the amount may exceed [] at the present time and may, in the future, be double this amount.

3. The FY-67 funds requested for this contract were based upon the expected costs for the off-site maintenance effort at [] No funds were requested for work at the Contractor's Plant.

4. In view of the budget limitations which have been imposed on Avionics Division; you are requested to seek funding support for these tasks from ASD/OEL. If this support cannot be obtained by 15 October, we may have to consider termination of this effort.

[]
Acting Deputy for Materiel, OSA

GROUP 1
Excluded from automatic
downgrading and
declassification

OXCART/IDEALIST
SECRET

HANDLE VIA []
CONTROL SYSTEM

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OXCART/IDEALIST

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C/AVD/M/OSA (23 September 66)

Distribution:

- #1 - CMD/OSA
- #2 - CMD/OSA
- #3 - COMPT/OSA
- #4 - ASD/OEL
- #5 - D/M/OSA
- #6 - D/M/OSA (Chrono)
- #7 - RB/OSA

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HANDLE VIA
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